

WHAT IS CLAIMED IS:

1. A computer system for valuating a financial instrument related to weather, comprising:

means to obtain historical weather information and predicted future weather information; and

means to obtain the value of the financial instrument by applying a pricing model using at least said historical weather information and said predicted future weather information.

2. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to valuate a financial instrument related to weather, said control logic comprising:

first computer readable program code means for causing the computer to obtain historical weather information and predicted future weather information; and

second computer readable program code means for causing the computer to obtain the value of the financial instrument by applying a pricing model using at least said historical weather information and said predicted future weather information.

3. A computer implemented method for valuating a financial instrument related to weather, comprising the steps of:

(1) obtaining predicted future weather information; and

(2) obtaining the value of the financial instrument by applying a pricing model using at least said predicted future weather information.

4. A computer system for valuating a financial instrument related to weather, comprising:

means to obtain predicted future weather information; and

means to obtain the value of the financial instrument by applying a pricing model using at least said predicted future weather information.

5. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to value a financial instrument related to weather, said control logic comprising:

first computer readable program code means for causing the computer to obtain predicted future weather information; and

second computer readable program code means for causing the computer to obtain the value of the financial instrument by applying a pricing model using at least said predicted future weather information.

6. A computer implemented method for valuating a financial instrument related to weather, comprising the steps of:

(1) obtaining information representative of a weather condition that the financial instrument will derive its value from; and

(2) obtaining the value of the financial instrument by applying a pricing model using at least said information representative of the weather condition that the financial instrument will derive its value from.

7. A computer system for valuating a financial instrument related to weather, comprising:

means to obtain information representative of a weather condition that the financial instrument will derive its value from; and

means to obtain the value of the financial instrument by applying a pricing model using at least said information representative of the weather condition that the financial instrument will derive its value from.

8. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to value a financial instrument related to weather, said control logic comprising:

first computer readable program code means for causing the computer to obtain information representative of a weather condition that the financial instrument will derive its value from; and

second computer readable program code means for causing the computer to obtain the value of the financial instrument by applying a pricing model using at least said information representative of the weather condition that the financial instrument will derive its value from.

9. A system for valuating a weather-based financial instrument, comprising:

a weather forecast database; and

a trading server connected to said weather forecast database, that obtains a value of the financial instrument by applying a pricing model.

10. The system of claim 9, further comprising:

a workstation that allows a user to provide inputs that affect the value of the financial instrument to said trading server.

11. A computer implemented method for valuating a financial instrument related to weather, comprising the steps of:

(1) obtaining a forecasted weather condition measure for a geographic region of interest for a time period between a start date and a maturity date for the financial instrument;

(2) obtaining a historic weather condition measure for the geographic region of interest for a corresponding time period;

(3) obtaining an annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument; and

(4) obtaining the value of the financial instrument by applying a pricing model using at least said forecasted weather condition measure, said historic weather condition measure, and said annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument.

12. A computer system for valuating a financial instrument related to weather, comprising:

means to obtain a forecasted weather condition measure for a geographic region of interest for a time period between a start date and a maturity date for the financial instrument;

means to obtain a historic weather condition measure for the geographic region of interest for a corresponding time period;

means to obtain an annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument; and

means to obtain the value of the financial instrument by applying a pricing model using at least said forecasted weather condition measure, said historic weather condition measure, and said annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument.

13. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to value a financial instrument related to weather, said control logic comprising:

first computer readable program code means for causing the computer to obtain a forecasted weather condition measure for a geographic region of interest for a time period between a start date and a maturity date for the financial instrument;

second computer readable program code means for causing the computer to obtain a historic weather condition measure for the geographic region of interest for a corresponding time period;

third computer readable program code means for causing the computer to obtain an annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument; and

fourth computer readable program code means for causing the computer to obtain the value of the financial instrument by applying a pricing model using at least said forecasted weather condition measure, said historic weather condition measure, and said annualized standard deviation of the natural logarithm of weather condition relatives called for in the financial instrument.